

SOME USEFUL TERMS YOU MAY COME ACROSS IN THE MOVING PROCESS:

Chattels Items such as carpets and curtains not fixed to the property. Included by agreement between the parties.

Completion date The date of moving. The price is paid by the buyer to the seller and the seller moves out of the property giving the buyer vacant possession.

Contract The agreement between the buyer and seller incorporating standard conditions of sale.

Deposit 5% or 10% of the purchase price paid by the buyer to the seller on exchange of contracts.

Exchange of contracts The stage at which the seller and buyer are committed to the sale and purchase and the completion date is inserted in the contract.

Fixtures Items fixed to the property which pass automatically, unless the contract states to the contrary.

Land registration fee The fee payable to the Land Registry.

Mortgagee/lender The company to whom the property is mortgaged usually a bank or building society.

Mortgage/legal charge This is the document that secures the money lent.

Mortgagor/borrower The buyer; it is the buyer who mortgages the property to the mortgagee/lender.

Property information forms Supplied by the seller's solicitor and containing information about the property and other legal matters. May also be termed enquiries before contract.

Purchase/buyer The person buying the property.

Registration Registration of the purchase and mortgage. Takes place after completion to evidence the change of ownership of the property and the grant of the mortgage at the Land Registry.

Requisitions on title Final enquiries asked of the seller's solicitor between exchange of contracts and completion.

Searches Local authority searches are carried out to ascertain the planning history of the property, whether there is any breach of statutory requirements and whether adjoining highways are adopted and to obtain other information. Drainage searches are made to check that properties have mains foul and surface water drainage. Land Registry searches are made to check the legal matters affecting the property.

Stamp duty Land Tax (SDLT) The duty paid by the buyer to Revenue & Customs. The Inland Revenue have an online tool to calculate the level of SDLT payable at www.hmrc.gov.uk/tools/sdlt/land-and-property.htm

Title Whether the property is freehold or leasehold and who owns it. Title is now usually by way of registration at the Land Registry. If a leasehold property there will also be a lease. Some properties are still unregistered and if so there will be a chain of deeds going back at least 15 years.

Transfer The document transferring title to the buyer.

Vendor/seller Person selling the property.

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USEFUL GUIDE LEASEHOLD PROPERTY PURCHASE

Buying a leasehold house or flat can be a stressful experience. Here at Mundays, our property team is one of the most experienced you'll find, and we'll do all we can to make you feel at home.

We offer a straightforward practical service to ensure that the process runs as smoothly as possible.

The 12 point process outlined opposite shows you what to expect and when, so planning your move runs like clockwork.

1. On receipt of your instructions we will put in place various searches. These will reveal information about the property including planning consent and any local authority proposals for the area.
2. We receive a draft contract from the seller's solicitors together with a copy of the existing lease (or draft of the proposed lease if the flat is being newly built) and evidence of the seller's title.
3. We review the lease, make amendments to the draft contract and ask the seller's solicitors questions about service charges and management of the building by the landlord, as well as any other issues.
4. Leases of flats (particularly in London) often need the landlord's consent to be required before a sale can take place. This consent is given in the form of a Licence to Assign which is prepared by the landlord's solicitors. You will need to supply references for approval by the landlord. If you are buying the property in the name of a company, the landlord will want evidence of the company's incorporation and will probably want a rent deposit as security for the payment of rent and service charges. If the buyer is not a resident in the UK, a landlord might also require a rent deposit. If the lease is an underlease then consent may also be required from the landlords of any superior leases.
5. If you are borrowing funds to purchase the property, a mortgage offer is issued and we receive instructions to act for the bank.
6. When we have replies to all of the enquiries raised we will provide you with a report on title and the contract for signature.
7. Contracts are exchanged and the completion date is contractually agreed. At this stage you are required to pay the deposit and you and the seller will be legally bound to complete the transaction. If a Licence to Assign is required (see point 4) the completion date will be conditional on that Licence being finalised. There is sometimes a delay in completing the purchase because the Landlord has not completed the Licence.
8. We next prepare the Transfer required to register your title to the property with the Land Registry.
9. We put in place further pre-completion searches. You will receive a completion statement showing the apportionment of the rent and service charge and the amount due to complete the purchase. This amount will include Stamp Duty Land Tax and any rent deposit. We also give you the necessary Stamp Duty Land Tax return and any mortgage deed for your signature prior to completion.
10. We ensure the seller has arranged for the Landlord to complete any required Licence to Assign (see point 4) as completion cannot take place until this is done.
11. We receive any mortgage money from the bank and the balance of the amount due on completion from you. We forward the completion monies to the seller's solicitors and complete the purchase. In exchange we receive the lease and the keys to the flat are released to you.
12. Following completion we will send the Stamp Duty Land Tax return to HM Revenue and Customs and register the Transfer and any mortgage.